

REMARKS

Objections to the Drawings

The Examiner has objected to the drawings because “they do not include the following reference sign(s) mentioned in the description: 406 (see page 11, line 2).” The Examiner is respectfully requested to further review Figure 4, and in particular the bottom right portion of Figure 4 where it is believed element number 406 is used to reference the third column of the chart 400. A copy of Fig. 4 is included in this response. If the attached Fig. 4 is inconsistent with the Examiner’s copy, the Examiner is respectfully requested to contact the undersigned so that a formal drawing correction may be made.

Objections to the Specification

The Abstract of the disclosure has been objected to. The Abstract has been amended. Based on the above amendment based on the Examiner’s comments, the Examiner is respectfully requested to withdraw his objection.

Rejections under 35 U.S.C. § 112

Claim 4 - 7 have been rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. In particular, the Examiner states that Claim 4 recites “the step of establishing a plan”, for which there is insufficient antecedent basis. Claim 1 has been amended to incorporate the limitations of Claim 2. As such, Claim 4, which depends from Claim 1, now has sufficient antecedent basis. Based on the amendment to Claim 1, the Examiner is respectfully requested to withdraw his objection.

Rejections under 35 U.S.C. § 101

The Examiner has rejected claims 1-11 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Claim 1 has been amended as suggested by the Examiner, to include a positive recitation of the technology required to perform the business method. Newly added Claim 36 expands on the positive recitation of technology. The rejection is respectfully traversed.

Rejections under 35 U.S.C. § 102

The Examiner has rejected claims 1 - 10 as allegedly being “anticipated” by U.S. Patent No. 5,884,300 to Brockman. Claim 1 has been amended to incorporate the limitations of Claim 2. Therefore, Applicants traverses this rejection based on the above Amendment and the following Remarks, and respectfully request that the Examiner reconsider the rejection, and that he withdraw it.

In a rejection under 35 U.S.C. § 102, each and every claim element must be present in the applied reference. However, Brockman does not teach or suggest “identifying at least one deficiency in the current inventory records which resulted in the at least one discrepancy”, and “establishing a plan to correct the at least one deficiency, the plan including specific changes to current inventory practices”, as recited in Claim 1.

Brockman discloses: “An inventory pipeline management system provides an efficient full-stream inventory management solution for the inventory that is normally present between the manufacturing and the field consumption points. *The system considers each field element (i.e., field office or local distribution center) as a unique entity and models product inventory levels required to support each field element's operations.*” [Brockman, Col. 1, Line 25 – 33]. Therefore, Brockman discloses developing a model to determine a desired inventory level that is required to support the field element operations. In addition, Brockman discloses: “Using a model to determine a model inventory value for products at each field element in an inventory supply chain, *key data elements are localized and compared with actual inventory values collected from the field elements to determine if a need for replenishment exists.* As a result, the self-correcting and self-analyzing inventory pipeline management system provides an efficient use and collection of inventory data and eliminates the needless paperwork, multiple databases and computer systems of the prior art.”[Brockman, Col. 1, Line 34 – 42] Therefore, the modeled product inventory level (i.e., desired inventory level) is compared with an actual inventory level to determine if there is a need for replenishing the inventory. If a shortage exists, “a demand signal is sent to the production/inventory management unit 320. In response to the demand signal, the production/inventory management unit 320 determines whether the products must be produced or picked from consignment inventory.” [Brockman, Col. 2, Line 27 – 35]. In this manner the system disclosed in Brockman is self-correcting, and self- analyzing. However, this disclosure does not teach or suggest “identifying at least one deficiency in the current inventory records”, and “establishing a plan to correct the at least one deficiency”, where the plan includes “specific changes to current inventory practices”, as recited in Claim 1. The Examiner has stated that the passage: “As a result, the self-correcting and self-analyzing

inventory pipeline management system provides an efficient use and collection of inventory data and eliminates the needless paperwork, multiple databases and computer systems of the prior art.”[Brockman, Col. 1, Line 37 – 42] teaches the limitations incorporated into Claim 1 (previously in Claim 2). However, this passage provides no suggestion that the system of Brockman will establish a plan for correcting the deficiency, that includes specific changes to current inventory practices. Ordering additional products due to a shortage of inventory does not disclose establishing a plan for changing current inventory practices, nor does it disclose changing current inventory practices themselves. Therefore, Claim 1, as amended, is not taught or disclosed by Brockman.

In addition, Brockman does not teach or suggest “improving an inventory practice”, as part of establishing a plan to correct the deficiency, as recited in Claim 5. The Examiner has stated that: “it is inherent that any change to the inventory would be improvement”. [Official Action, 2/06/04, Page 5, First Paragraph] The inventory change disclosed in Brockman is based on an inventory shortage, and simply involves attempting to acquire the difference between the desired inventory and the actual inventory to eliminate the shortage. At best, this discloses picking a point in time, determining if there is an inventory shortage, and acquiring the product to eliminate the shortage that exists at that particular point in time. This is not an improvement to the inventory practice. Brockman does not disclose improving the inventory practice based on that particular shortage, but rather simply fixing the shortage itself. In Brockman, whatever caused the shortage may reoccur and cause the same shortage again. Therefore, Brockman does not teach or suggest Claim 5.

Brockman does disclose generating a Management Report (i.e., an inventory compliance report or an inventory discrepancy report), and outputting the report (S775 of Fig. 5) [See Brockman S435 (Fig. 2), S770, S789, S775 (Fig. 5B), and Col. 5, Line 55 – 62]. Again, this disclosure does not teach establishing a plan to correct an inventory deficiency including specific changes to current inventory practices (as recited in amended Claim 1, or improving an inventory practice, as recited in Claim 5. Therefore, the Claim 1 is not taught or suggested in Brockman, and is believed in a condition for allowance. Accordingly, the dependent claims 3 – 10 are also believed to be in a condition for allowance.

Brockman does not teach or suggest “assessing at least one inventory record associated with the facility” and “identifying an inventory associated with said facility”, as recited in newly added Claim 36. As discussed above, Brockman discloses comparing a product inventory level model (or desired inventory) to an actual inventory. In effect Brockman discloses an inventory forecasting process, e.g., establishing a desired inventory,

comparing it to the current or actual inventory to see if there is sufficient inventory, and then acquiring more inventory if there is a shortage. On the other hand, Claim 36 is directed towards assessing an inventory record of the facility, i.e., a record indicating the amount of inventory the facility is supposed to actually have. For example, if you have a record indicating you have purchased 100 parts, and your records indicate you have not used any of those 100 parts, then you should still have the 100 parts in your inventory. The present invention identifies the inventory of the facility. For example, either through a physical part count or a sampling of parts that is used to extrapolate total number of part, the inventory of the facility may be established. The inventory is then compared with the inventory records. For example, a facility may want to determine if they actually have 100 parts in inventory, as their records indicate. If there is a discrepancy between the inventory, and the inventory records, a change to an inventory practice may be recommended so that in the future, the inventory records and the inventory are consistent. Brockman does not disclose assessing an inventory record, but rather just determining a desired inventory level based on an inventory forecast. Therefore, Claim 36 is not taught or suggested by Brockman.

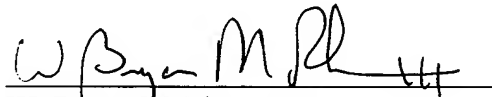
Rejections under 35 U.S.C. § 103

The Examiner has rejected claim 11 under the obviousness provisions of 35 U.S.C. § 103 as allegedly being unpatentable over U.S. Patent No. 5,884,300 to Brockman in view of Official Notice. The rejection is respectfully traversed. Claim 11 depends from amended Claim 1, which is believed to be in a condition for allowance. Accordingly, since Claim 11 depends from an allowable claim, it is also believed to be in a condition for allowance.

Conclusion

All of the stated grounds of rejection have been properly traversed, accommodated, or rendered moot. Applicant therefore respectfully requests that the Examiner reconsider all presently outstanding objections and rejections, and that he withdraw them. The Examiner is courteously invited to telephone the undersigned representative if he believes that an interview might be useful for any reason.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "W. Bryan McPherson III", is written over a horizontal line.

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